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September 24, 2021

The Honorable Jocelyn G. Boyd
Chief Clerk and Executive Director
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

Re: Docket No. 2021-211-T – Application of Elite Movers, LLC to Amend Its Tariff (See Docket No. 2019-336-T) .

Dear Ms. Boyd:

I write on behalf of Elite Movers, LLC (“Elite Movers”) in response to the Commission’s Order No. 2021-538 carrying over the above-referenced application.

In Order No. 2021-538, the Commission requested additional information from Elite Movers, specifically, the Commission requested “*further information...explaining the bases for the proposed rate increases in the Company’s proposed amendment, which would result in rates far in excess of the South Carolina Tariff Bureau’s rates.*”

Elite Movers’ present tariff was approved on February 5, 2020, in Order 2020-53, Docket No. 2019-336-T, which also granted the company its certificate of public convenience and necessity. Elite Movers proposed increases in its minimum charges, additional hourly charges, travel fees, overnight storage fee, and heavy time fee. Elite Movers also proposed to increase the radius in which it does not charge a travel charge of \$0.50 per mile from 40 to 60 miles. The proposed rates reflect general increases in Elite Movers’ operating costs, fuel, and labor. In 2020, the U.S. economy’s inflation rate was 1.4%; it rose to 5.4% in 2021.¹ Gasoline prices rose 41.8% in 2021.² Diesel prices rose 38.48% over the past twelve months.³ The unemployment rate in the

¹ US Inflation Calculator, <https://www.usinflationcalculator.com/inflation/current-inflation-rates/> (September 7, 2021).

² Gasoline Inflation in the United States (1968-2021) <https://www.usinflationcalculator.com/inflation/gasoline-inflation-in-the-united-states/> (September 7, 2021).

US Bureau of Labor Statistics, Economy at a Glance, Charleston-North Charleston-Summerville, SC https://www.bls.gov/eag/eag.sc_charleston_msa.htm

³ US Retail Diesel Price, Week of September 13, 2021; https://ycharts.com/indicators/us_retail_diesel_price

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Charleston Metropolitan Statistical Area, where Elite Moves is based, was 3.9% in July 2021, making labor in high demand. South Carolina's recent labor shortage has been well documented.⁴

The South Carolina Tariff Bureau, Inc. ("Tariff Bureau") is a non-profit corporation established on February 6, 1995. The Tariff Bureau files tariffs on behalf of 36 subscribing household goods movers. While it has been the ORS's practice to compare proposed tariffs to the Tariff Bureau Rates, they have no official status. The Tariff Bureau's Tariff No. 7 was approved on February 15, 2018, in Order 2018-67, Docket No. 2017-338-T. The tariff was amended on December 13, 2019, in Order 2019-813 to amend the wording of a header, but the three-year old rates were not changed. Tariff No. 7 is primarily weight based. Customers are charged a base rate according to the weight of their cargo and a variety of charges for fuel, moving specific items, and ancillary services. Most important Tariff No. 7 states its hourly rates are for moves using vans "on services with mileage from 0-30" See Tariff No. 7, Item 300, p. 24. The Tariff Bureau also has a fuel adjustment of \$30 per truck per day for every move up to 30 miles. Tariff No. 7, p26. Moves 31 miles and longer are subject to fuel charge calculated on a sliding scale ranging from 0% to 19% of line haul transportation charges. Elite Movers' tariff is fundamentally different, and its rates are not directly comparable to Tariff No. 7.

The Commission has routinely approved tariffs without detailed cost justifications. Tariff no. 7 was approved without a hearing, as are virtually all motor carrier tariff amendments. The Commission's practice recognizes there is vibrant competition in the household goods markets. Customers rely on the carrier's published tariffs to make informed choices. If a carrier's rates are too high; customers will go elsewhere. There are no exclusive service territories or other monopolistic assignments that require a detailed review of rates. The Commission's determination of whether a household goods carrier's rates are just and reasonable wisely focuses on public disclosure of rates and avoids an unconstitutional application of its regulations.

Market regulation must generally be based in the state's police powers: "*the government may 'regulate any trade, occupation or business, the unrestrained pursuit of which might affect injuriously the public health, morals, safety or comfort; and in the exercise of the power particular occupations may be . . . required to be conducted within designated limits.'*" *Retail Servs. & Sys. v. S.C. Dep't of Revenue*, 419 S.C. at 473.

⁴ See e.g. "Lowcountry companies still struggle with workers shortage, both local businesses and major companies looking to hire workers in preparation for the upcoming holiday season" The Charleston Press, <https://thecharlestonpress.com/lowcountry-companies-still-struggle-with-workers-shortage-both-local-businesses-and-major-companies-looking-to-hire-workers-in-preparation-for-the-upcoming-holiday-season/>

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The government must have a rational state interest to regulate prices. The United States Supreme Court and the South Carolina Supreme Court have ruled that regulations restricting competition in open markets are unconstitutional. *New State Ice Co. v. Liebmann*, 285 U.S. 262, 52 S. Ct. 371 (1932). See *Retail Servs. & Sys. v. S.C. Dep't of Revenue*, 419 S.C. 469, 799 S.E.2d 665 (2017). One would be hard pressed to identify a competitive market with retail price regulation in South Carolina. See e.g. *Gwynette v. Myers*, 237 S.C. 17, 115 S.E.2d 673 (1960) (invalidating regulation of milk prices). There is no rational interest in state regulation of the charges of household goods movers.

For these reasons, Elite Movers, requests the Commission approve the proposed amendment of its tariff.

With best wishes, I am,

Sincerely yours,

s/ Charlie Terreni

Charles L.A. Terreni

c: Counsel of record
Mr. Jamol Greene